

FEDERAL DEPOSIT INSURANCE CORPORATION

Selected Fund Financial Indicators

- BIF Reserve Ratio is 1.40 percent as of June 30, 1999
- SAIF Reserve Ratio is 1.29 percent as of June 30, 1999 excluding \$978 million in the Special Reserve
- SAIF Reserve Ratio including the Special Reserve is 1.43 percent as of June 30, 1999



Executive Management Report

Financial Results (unaudited)
For the nine months ending September 30, 1999

Executive Summary

For the Nine Months Ending September 30, 1999

Insurance Funds:

- In order to assess exposure to the Insurance Funds from Year 2000 potential failures, FDIC evaluated all information relevant to such an assessment, including Y2K on-site examination results, institution capital levels and supervisory examination composite ratings, and other institution past and current financial characteristics. As a result of this assessment, no institutions were identified that would likely fail and cause loss to the Insurance Funds. During the remainder of 1999, the regulatory agencies will continue their Year 2000 reviews, and the FDIC will continue to assess this potential liability.
- The liability for anticipated failures of insured BIF and SAIF institutions at \$72 million and \$28 million respectively, reflects the stable condition of the bank and thrift industries. BIF's estimated liability fluctuated significantly during the second and third quarters of 1999 as the FDIC recognized probable losses associated with the troubled First National Bank of Keystone, which ultimately failed on September 1, 1999.

Bank Insurance Fund (BIF):

- Comprehensive income (net income plus current period unrealized gains/losses on available-for-sale securities) was negative \$113 million for the nine months ending September 30, 1999, decreasing the fund balance to \$29.5 billion. This loss, which is the first reported loss since first quarter 1992, is due primarily to recording a \$750 million estimated loss for the resolution of First National Bank of Keystone, Keystone, WV, which failed on September 1, 1999. The FDIC currently estimates a \$750 million to \$850 million range of loss for this institution.
- Revenue totaled \$1.4 billion for the nine months ending September 30, 1999. The fund earned \$1.3 billion in interest on investments in U.S. Treasury obligations and \$25 million in deposit insurance assessments.
- Receivables from bank resolutions are \$659 million at September 30, 1999. This receivable peaked at \$27.8 billion in 1992 due to the large number of bank failures occurring at that time.

- Five BIF-insured institutions failed during the first nine months of 1999. Total assets at failure were \$1.2 billion. Three BIF-insured institutions failed during calendar year 1998, with assets at failure of \$370 million.

Savings Association Insurance Fund (SAIF):

- Comprehensive income was \$365 million for the nine months ending September 30, 1999, increasing the unrestricted fund balance to \$9.2 billion.
- Revenue totaled \$442 million for the nine months ending September 30, 1999. The fund earned \$432 million in interest on U.S. Treasury obligations and \$10 million in deposit insurance assessments.
- The Deposit Insurance Funds Act of 1996 required the establishment of a Special Reserve of the SAIF if, on January 1, 1999, the reserve ratio exceeded the Designated Reserve Ratio (DRR) of 1.25 percent. The reserve ratio of 1.39 percent exceeded the DRR by 0.14 percent on January 1, 1999. As a result, \$978 million was placed in a Special Reserve of the SAIF to be administered by the FDIC. The Special Reserve must be excluded when calculating the reserve ratio of the SAIF.
- One SAIF-insured institution failed during the first nine months of 1999. Total assets at failure were \$63 million. This is the first SAIF-insured failure since August 1996.

FSLIC Resolution Fund (FRF): ***~FRF-FSLIC~***

- The U.S. Department of Treasury (U.S. Treasury) has determined that the FRF is responsible for the payment of judgments and settlements in most supervisory goodwill litigation cases against the U.S. Government. Future goodwill litigation payments cannot be reasonably estimated at this time. There were no settlement payments for the nine months ending September 30, 1999.

Executive Summary

For the Nine Months Ending September 30, 1999

~FRF-FSLIC~

(Continued)

- In addition to payments for goodwill settlements, the FRF is responsible for reimbursing the Department of Justice for its goodwill litigation expenses.
- The FRF-FSLIC received \$85.7 million in tax benefits sharing for the first nine months of 1999. Tax benefits are derived by an acquiring institution's utilization of a failing institution's net operating losses, credit carry forwards, and other benefits. FDIC receives cash from the acquiring institution for a percentage of the tax benefits used.
- On April 9, 1999, the United States Court of Federal Claims ruled that the federal government must pay Glendale Federal Bank \$908.9 million for breaching a contract that allowed the thrift to count goodwill toward regulatory capital. Additionally, on April 16, 1999, in a similar case, another judge of the U.S. Court of Federal Claims, awarded California Federal Bank \$23.4 million, far short of the \$1.5 billion in damages sought. Both judges calculated damages using different methods. Both cases have been appealed by the plaintiffs and the U.S. Department of Justice. Due to the current appeals and conflicting calculation of damages, the final outcome is uncertain in both cases.

The United States Court of Federal Claims recently awarded LaSalle Talman Federal Savings Bank \$5 million from the federal government in another goodwill case. While the plaintiff sought \$1.5 billion, the court determined, in its September 30, 1999 decision, that \$5 million for incidental damages was appropriate. The final outcome of this case is uncertain since the plaintiff has filed an appeal. Additionally, the U.S. Department of Justice is still reviewing this decision.

~FRF-RTC~

- The RTC Completion Act requires the FDIC to return to the U.S. Treasury any funds that were transferred to the RTC pursuant to the RTC Completion Act but not needed by the RTC. The RTC Completion Act made available approximately \$18 billion worth of additional funding, of which \$4.556 billion was used. The act mandates that the FDIC must transfer to the Resolution Funding Corporation (REFCORP) the net proceeds from the sale of FRF-RTC assets (once all liabilities of the FRF-RTC have been paid) to pay the interest on REFCORP bonds. Any such payments benefit the U.S. Treasury, which would otherwise be obligated to pay the interest on the bonds.

On July 27, 1999, the FDIC Board of Directors granted authority to the Director of the Division of Finance, or his designee, to: 1) repay the U. S. Treasury \$4.556 billion in appropriations made to the RTC pursuant to the RTC Completion Act; and 2) after the U. S. Treasury has been paid, to pay the REFCORP any additional excess cash until such time as the FRF-RTC is dissolved upon satisfaction of all debts and liabilities and sale of all assets.

\$3.7 billion has been repaid to the U.S. Treasury through September 1999. A \$3.3 billion payment was made on August 3, 1999, and an additional \$445 million was paid during September. The FRF-RTC cash balance is \$532 million at September 30, 1999.

- Assets in liquidation totaled \$552 million as of September 30, 1999, down by \$982 million over the last 12 months.

INSURANCE FUNDS

Bank Insurance Fund (BIF)

Savings Association Insurance Fund (SAIF)

The BIF and SAIF are separate insurance funds responsible for protecting insured depositors in operating banks and thrift institutions from loss due to failure of the institution. Since 1989, an active institution's insurance fund membership and primary federal regulator have been generally determined by the institution's charter type. Deposits of BIF-member institutions are primarily insured by the BIF; BIF members are predominantly commercial and savings banks regulated by the FDIC, the Office of the Comptroller of the Currency, or the Federal Reserve. Deposits of SAIF-member institutions are primarily insured by the SAIF; SAIF members are predominantly thrifts supervised by the Office of Thrift Supervision.

FINANCIAL HIGHLIGHTS

<i>Dollars in Millions</i>	BIF		SAIF	
	(Unaudited)		(Unaudited)	
	9/30/99	9/30/98	9/30/99	9/30/98
Revenue	\$ 1,357	\$ 1,303	\$ 442	\$ 431
Operating Expenses	522	501	65	62
Insurance Losses/Expenses	931	10	6	12
Unrealized (Loss)/Gain on AFS (1)				
Securities, Net (Current Period)	(17)	16	(6)	6
Comprehensive Income	(113)	808	365	363
Restricted Fund Balance	0	0	978	0
Unrestricted Fund Balance	\$ 29,499	\$ 29,101	\$ 9,227	\$ 9,731
June 1999/1998 Reserve Ratio (2)	1.40%	1.40%	1.29%	1.38%
June 1999/1998 Unrestricted Fund Balance	\$29,831	\$28,931	\$9,088	\$9,610
Estimated Insured Deposits	\$2,128,575 (a)	\$2,071,753 (b)	\$704,325 (a)	\$697,386 (b)
Total Insured Institutions	8,950 (a)	9,265 (b)	1,400 (a)	1,474 (b)
Number of Failures, YTD	5	3	1	0
Total Corporate Outlays, YTD	\$533	\$281	\$63	\$0
Total Estimated Corporate Losses, YTD	\$760	\$154	\$4	\$0
Total Assets at Failure (Current Year)	\$1,219	\$370	\$63	\$0
Assets in Liquidation (3)	\$1,570	\$1,409	\$52	\$3

(1) Available-for-Sale (AFS)

(2) The Reserve Ratio is equal to the second quarter Unrestricted Fund Balance divided by second quarter Estimated Insured Deposits. The statutorily established Designated Reserve Ratio is 1.25%.

(3) Assets in liquidation is the total book value of the noncash assets to be liquidated.

(a) Source: Second Quarter 1999 FDIC Quarterly Banking Profile. BIF figure includes 23 U.S. branches of foreign banks.

(b) Source: Second Quarter 1998 FDIC Quarterly Banking Profile. BIF figure includes 27 U.S. branches of foreign banks.

Bank Insurance Fund Statements of Financial Position September 1999

Dollars in Millions(Unaudited)
September 30**Assets**

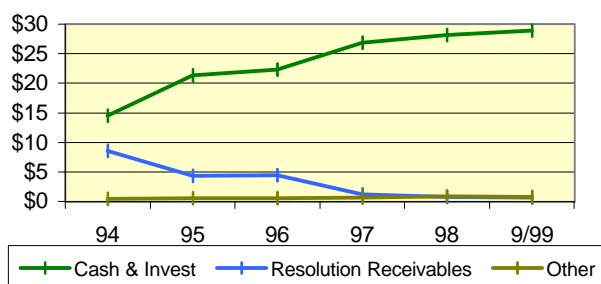
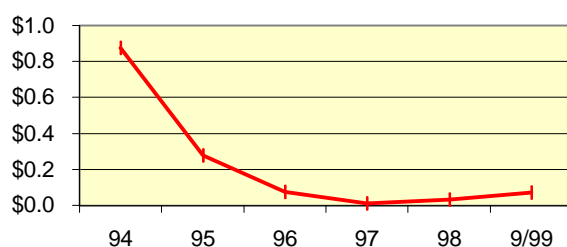
	1999	1998
Cash and cash equivalents	\$ 791	\$ 1,721
Investment in U.S. Treasury obligations, net	28,090	26,021
Interest receivable on investments and other assets, net	491	525
Receivables from bank resolutions, net	659	873
Assets acquired from assisted banks and terminated receiverships, net	13	48
Property and buildings, net	144	143
Software development and other capitalized assets, net	89	41
Total Assets	\$ 30,277	\$ 29,372

Liabilities

Accounts payable and other liabilities	\$ 684	\$ 208
Estimated Liabilities for:		
Anticipated failure of insured institutions	72	2
Assistance agreements	1	25
Litigation losses	17	20
Asset securitization guarantees	4	16
Total Liabilities	778	271

Fund Balance

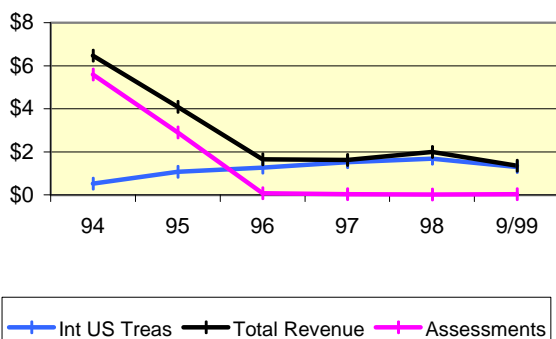
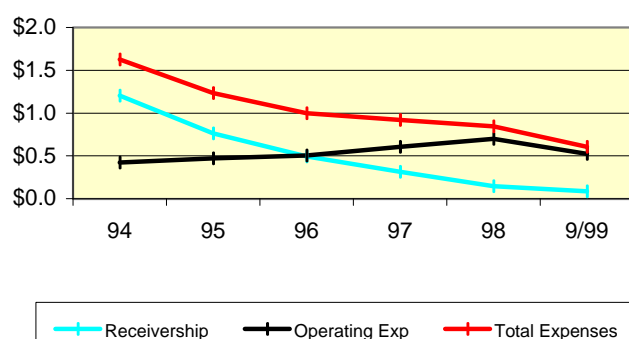
Accumulated net income	29,505	29,085
Unrealized (loss)/gain on available-for-sale securities, net	(6)	16
Total Fund Balance	29,499	29,101
Total Liabilities and Fund Balance	\$ 30,277	\$ 29,372

*Chart Data: Dollars in Billions***BIF Asset Composition****BIF Estimated Liability for Anticipated Failure of Insured Institutions**

Bank Insurance Fund Statements of Income and Fund Balance September 1999

Dollars in Millions

	(Unaudited) Year-to-Date:		(Unaudited) Quarter Ending September 30	
	1999	1998	1999	1998
Revenue				
Interest on U.S. Treasury obligations	\$ 1,293	\$ 1,250	\$ 436	\$ 423
Interest on advances and subrogated claims	19	6	1	1
Revenue from assets acquired from assisted banks and terminated receiverships	8	19	4	6
Assessments	25	16	9	8
Other revenue	12	12	5	7
Total Revenue	1,357	1,303	455	445
Expenses and Losses				
Operating expenses	522	501	166	169
Insurance Losses/Expenses:				
Provision for insurance losses	917	(14)	606	112
Expenses for assets acquired from assisted banks and terminated receiverships	12	23	6	9
Interest and other insurance expenses	2	1	1	0
Total Expenses and Losses	1,453	511	779	290
Net Income	(96)	792	(324)	155
Unrealized (loss)/gain on available-for-sale securities, net (current period)	(17)	16	(8)	15
Comprehensive Income	(113)	808	(332)	170
Fund Balance - Beginning	29,612	28,293	29,831	28,931
Fund Balance - Ending	\$ 29,499	\$ 29,101	\$ 29,499	\$ 29,101

*Chart Data: Dollars in Billions***BIF Revenue****BIF Operating and Receivership Expenses**

Savings Association Insurance Fund Statements of Financial Position September 1999

Dollars in Millions(Unaudited)
September 30**Assets**

Cash and cash equivalents - unrestricted
Cash and other assets - restricted for
SAIF-member exit fees
Investment in U.S. Treasury obligations, net
Interest receivable on investments
and other assets
Receivables from thrift resolutions, net
Total Assets

<u>1999</u>	<u>1998</u>
\$ 160	\$ 484
265	250
9,871	9,128
148	138
59	5
\$ 10,503	\$ 10,005

Liabilities

Accounts payable and other liabilities
Estimated liability for anticipated failure of
insured institutions
SAIF-member exit fees and investment
proceeds held in escrow
Total Liabilities

\$ 5	\$ 12
28	12
265	250
298	274

Fund Balance**Unrestricted**

Accumulated net income
Unrealized (loss)/gain on available-for-sale
securities, net

9,229	9,725
(2)	6
9,227	9,731

Restricted

Special Reserve

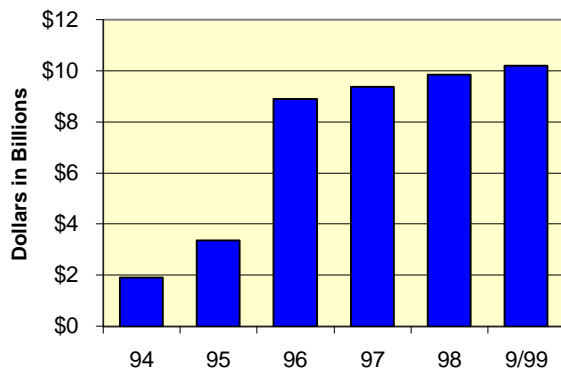
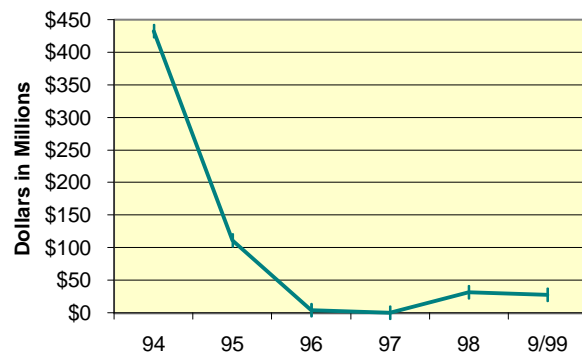
978	0
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Total Fund Balance

10,205	9,731
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Total Liabilities and Fund Balance

\$ 10,503	\$ 10,005
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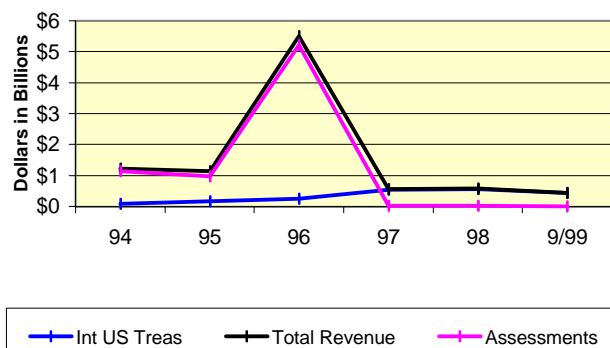
SAIF Total Fund Balance**SAIF Estimated Liability for Anticipated Failure of Insured Institutions**

Savings Association Insurance Fund Statements of Income and Fund Balance September 1999

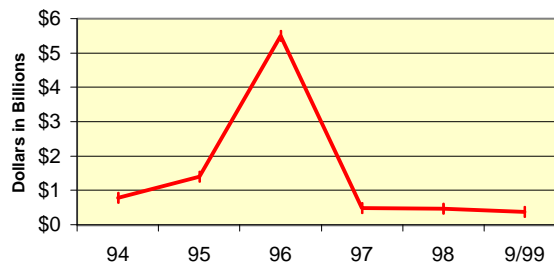
Dollars in Millions

	(Unaudited) Year-to-Date:		(Unaudited) Quarter Ending September 30	
	1999	1998	1999	1998
Revenue				
Interest on U.S. Treasury obligations	\$ 432	\$ 421	\$ 146	\$ 143
Assessments	10	10	4	6
Other revenue	0	0	0	0
Total Revenue	442	431	150	149
Expenses and Losses				
Operating expenses	65	62	18	22
Provision for insurance losses	6	12	(9)	12
Total Expenses and Losses	71	74	9	34
Net Income	371	357	141	115
Unrealized (loss)/gain on available-for-sale securities, net (current period)	(6)	6	(2)	6
Comprehensive Income	365	363	139	121
Fund Balance - Beginning	9,840	9,368	10,066	9,610
Unrestricted Fund Balance - Ending	9,227	9,731	9,227	9,731
Restricted Fund Balance (Special Reserve) - Ending	978	0	978	0
Fund Balance - Ending	\$ 10,205	\$ 9,731	\$ 10,205	\$ 9,731

SAIF Revenue



SAIF Comprehensive Income



RESOLUTION FUND

FSLIC Resolution Fund (FRF)

The FRF is a FDIC-managed resolution fund that was originally created to wind up the affairs of the former Federal Savings and Loan Insurance Corporation (FSLIC). It is also responsible for liquidating the assets and liabilities that were transferred from the former Resolution Trust Corporation (RTC) in 1996. Statutorily, the FRF is reported as one fund; for management reporting and operational purposes, the FRF is split into its FSLIC and RTC components and accounted for separately. The assets of one component are not available to satisfy the obligations of the other.

The FRF will continue to operate until all of its assets are sold or otherwise liquidated and all of its liabilities are satisfied.

FRF-FSLIC

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) abolished the insolvent FSLIC, created the FRF, and transferred the assets and liabilities of the FSLIC to the FRF or RTC, effective August 9, 1989. Upon dissolution of this component of the FRF, any funds remaining will be transferred to the U.S. Treasury.

FRF-RTC

The RTC was created to manage and resolve all thrifts previously insured by the FSLIC for which a conservator or receiver was appointed on January 1, 1989, or later. Resolution responsibility transferred from the RTC to the SAIF on July 1, 1995, and the RTC was terminated as of December 31, 1995. All remaining assets and liabilities of the RTC were transferred to the FRF on January 1, 1996. Upon dissolution of this component of the FRF, any funds remaining will be transferred to the U.S. Treasury or the Resolution Funding Corporation, as appropriate.

FSLIC Resolution Fund

Statements of Cash Flows and Selected Statistics

September 1999

Dollars in Millions

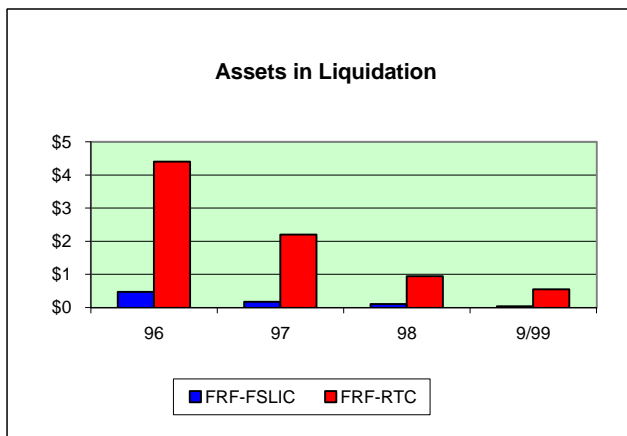
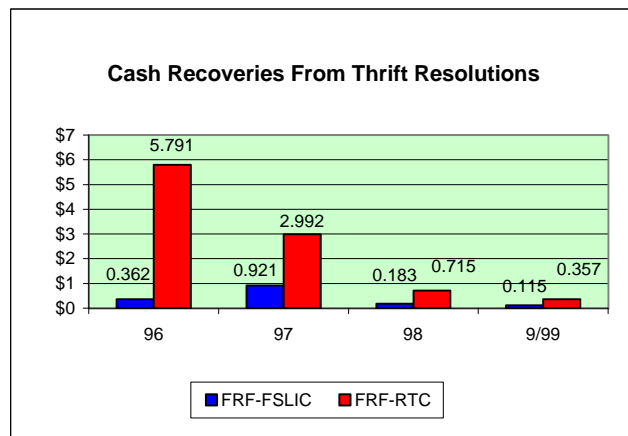
	FRF - FSLIC (Unaudited) Year-to-Date:		FRF - RTC (Unaudited) Year-to-Date:		FRF - CONSOLIDATED (Unaudited) Year-to-Date:	
	1999	1998	1999	1998	1999	1998
Cash Flows						
Cash Flows From Operating Activities:						
Cash Provided From Operating Activities	\$237	\$319	\$1,587	\$1,809	\$1,824	\$2,128
Cash Used for Operating Activities	(18)	(136)	(167)	(216)	(185)	(352)
Net Cash Provided by Operating Activities	219	183	1,420	1,593	1,639	1,776
Cash Flows From Investing Activities:						
Proceeds from Securitization Residual						
Certificates, AFS (1)	0	0	315	0	315	0
Cash Flows From Financing Activities:						
Return of U.S. Treasury Payments (2)	0	0	(3,745)	0	(3,745)	0
Repayments of Federal Financing Bank						
Borrowings	0	0	0	(838)	0	(838)
Repayments of Indebtedness From						
Thrift Resolutions	0	(32)	0	0	0	(32)
Net Increase (Decrease) in Cash	\$219	\$151	(\$2,010)	\$755	(\$1,791)	\$906
Selected Statistics						
Resolution Equity (2)	\$2,275	\$2,095	\$4,824	\$7,168	\$7,099	\$9,263
Number of Active Receiverships	14	26	268	392	282	418
Number of Other Liquidating Entities	28	57	17	17	45	74
Assets in Liquidation (3)	\$39	\$87	\$552	\$1,534	\$591	\$1,621

(1) Available-for-Sale (AFS)

(2) \$3.7 billion was repaid to the U.S. Treasury by FRF-RTC during August and September.

(3) Assets in liquidation is the total book value of the noncash assets to be liquidated.

Chart Data: Dollars in Billions

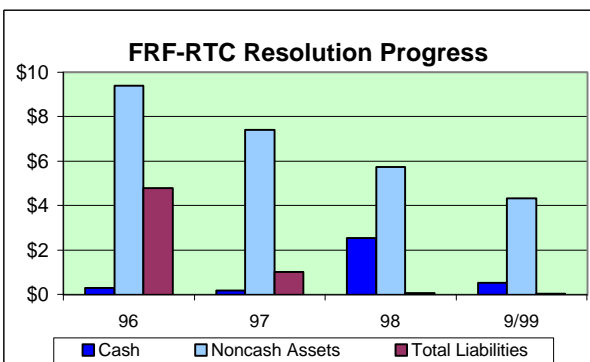
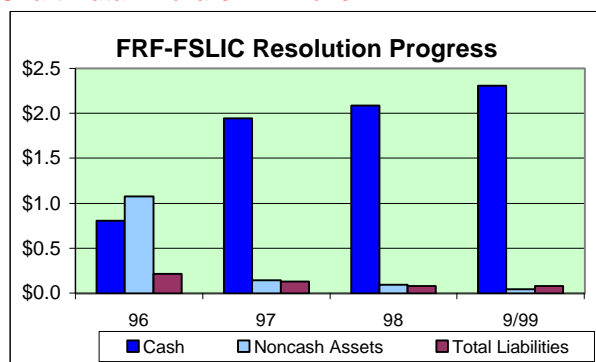


FSLIC Resolution Fund Statements of Financial Position September 1999

Dollars in Millions

	FRF - FSLIC (Unaudited) September 30		FRF - RTC (Unaudited) September 30		FRF - CONSOLIDATED (Unaudited) September 30	
	1999	1998	1999	1998	1999	1998
Assets						
Cash and cash equivalents (1)	\$ 2,308	\$ 2,096	\$ 532	\$ 917	\$ 2,840	\$ 3,013
Receivables from thrift resolutions, net	23	44	1,231	2,167	1,254	2,211
Securitization funds held by trustee, net	0	0	1,821	4,105	1,821	4,105
Investment in securitization residual certificates	0	0	1,239	0	1,239	0
Assets acquired from assisted thrifts and terminated receiverships, net	17	30	25	32	42	62
Other assets, net	6	5	5	15	11	20
Total Assets	\$ 2,354	\$ 2,175	\$ 4,853	\$ 7,236	\$ 7,207	\$ 9,411
Liabilities and Resolution Equity						
Liabilities						
Accounts payable and other liabilities	\$ 8	\$ 12	\$ 21	\$ 60	\$ 29	\$ 72
Liabilities from thrift resolutions	66	67	6	8	72	75
Estimated liabilities for:						
Assistance agreements	5	1	0	0	5	1
Litigation losses	0	0	2	0	2	0
Total Liabilities	79	80	29	68	108	148
Resolution Equity						
Contributed capital (1)	44,156	44,156	87,590	91,338	131,746	135,494
Accumulated deficit	(41,881)	(42,061)	(82,844)	(84,170)	(124,725)	(126,231)
Unrealized gain on available-for-sale securities, net	0	0	78	0	78	0
Accumulated deficit, net	(41,881)	(42,061)	(82,766)	(84,170)	(124,647)	(126,231)
Total Resolution Equity	2,275	2,095	4,824	7,168	7,099	9,263
Total Liabilities and Resolution Equity	\$ 2,354	\$ 2,175	\$ 4,853	\$ 7,236	\$ 7,207	\$ 9,411

(1) Cash and Contributed Capital decreased \$3.7 billion due to the FRF-RTC repayments to the U.S. Treasury during August and September.

Chart Data: Dollars in Billions

FSLIC Resolution Fund

Statements of Income and Accumulated Deficit

September 1999

Dollars in Millions

	FRF - FSLIC (Unaudited) Year-to-Date:		FRF - RTC (Unaudited) Year-to-Date:		FRF- CONSOLIDATED (Unaudited) Year-to-Date:	
	1999	1998	1999	1998	1999	1998
Revenue						
Interest on securitization funds held by trustee	\$ 0	\$ 0	\$ 78	\$ 193	\$ 78	\$ 193
Interest on U.S. Treasury obligations	78	83	0	0	78	83
Interest on advances and subrogated claims	0	0	25	17	25	17
Revenue from assets acquired from assisted thrifts and terminated receiverships	12	19	15	6	27	25
Limited partnership equity interests and other revenue	3	1	47	80	50	81
Total Revenue	93	103	165	296	258	399
Expenses and Losses						
Operating expenses	5	5	58	35	63	40
Provision for losses	(97)	(152)	(240)	(373)	(337)	(525)
Expenses for goodwill settlements and litigation	0	0	0	0	0	0
Interest expense on Federal Financing Bank debt and other notes payable	1	3	0	18	1	21
Expenses for assets acquired from assisted thrifts and terminated receiverships	5	9	5	7	10	16
Other expenses	2	105	1	0	3	105
Total Expenses and Losses	(84)	(30)	(176)	(313)	(260)	(343)
Net Income	177	133	341	609	518	742
Unrealized gain on available-for-sale securities, net (current period)	0	0	4	0	4	0
Comprehensive Income	177	133	345	609	522	742
Accumulated Deficit - Beginning	(42,058)	(42,194)	(83,111)	(84,779)	(125,169)	(126,973)
Accumulated Deficit - Ending	\$ (41,881)	\$ (42,061)	\$ (82,766)	\$ (84,170)	\$ (124,647)	\$ (126,231)

Chart Data: Dollars in Billions